1952 **File No.** 68/52

legal Dept

G **BRANCH**

Subject: Opinion on the

P-4

Post Offices National Savings

Certificates Ordinance 1944

O/National ~~Certificates~~ Certificates/52.

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Office of the R.I.A.

The questions for R.I.A.'s consideration are:-

(1) Whether the 6 National Savings Certificates in the custody of the Milk Commissioner can be cashed and the amount credited to Government and if not

(2) Whether there is any other remedy to recoup the loss occasioned to Government by their improper pledging to Government.

Rule M(2) of the Post Office National Savings Certificates Rules 1944 provides that certificates can be transferred for the purpose of being treated as security to a Gazetted Government Officer. The procedure for pledging certificates is laid down in sub-rule (5) of Rulex M. Clause (a) of this sub-rule provid s that if the pledgor is already in possession of the certificates, he must present at the Post Office the prescribed form for transfer (obtainable at Post Offices) applying for transfer to the officer in his official capacity. The certificate and an authority to pledge as referred to in clause (a) of that sub-rule from the officer should also be presented at the same time. These formalities were not observed while pledging the Rs. 500/- certificate to the Milk Commissioner but there is a remark "pledged to the Milk Commissioner, Bombay" on the application for the purchase of the certificate. Section 3 of the Post Office National Savings Certificates Ordinance, 1944 under which the above Rules are made provides that no transfer of a certificate shall be valid without the previous consent of an Officer of the Post Office authorised by Government in this behalf. The transfer in the Milk Commissioner's name of this certificate is not therefore valid. In order to regularise the pledging, the procedure laid down in sub-rule (5) of Rule M which is obligatory will have to be followed. Shri Mastakar has not sent any reply to the Milk Commissioner's letter to him at page 21 ante which shows that he would not

he would not now be prepared to present any applications for transfer of all the six certificates. The certificates are in the custody of the Milk Commissioner but the Milk Commissioner not being a regular pledgee cannot get the certificates encashed even though he may have certified them owing to the default of the pledgor. The best course would therefore be to inform the postal authorities that it is not now possible to regularise the pledge as required by rule H(5) in view of the reluctance of the pledgor in presenting the application for transfer and to inquire whether there is any other possible course which they can suggest for encashing these certificates by the Milk Commissioner. If they do not suggest any course, then the only remedy would be to approach a court of law in this behalf and under the orders of the Court of law can be effected by Head Post Master.

Sd/-

Remembrancer of Legal Affairs.

N.P. to U.C., No. G-294, dated the 2nd July 1952.

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